

BILL # HB 2552

TITLE: schools; gifted pupils; programs; funding

SPONSOR: Anderson

STATUS: As Amended by House ED

PREPARED BY: Leah Ruggieri

FISCAL ANALYSIS

Description

HB 2552 increases funding for gifted education programs from \$55 per pupil for up to 3% of the student count or \$1,000, whichever is greater, to a revised formula of \$82 per pupil for up to 7% of the student count or \$4,000, whichever is greater. The bill requires the revised amount to be adjusted by the GDP price deflator in statute beginning in FY 2008. The bill also appropriates \$80,000 in FY 2007 to the Arizona Department of Education (ADE) for incorporating at least one hour of training on gifted education programs into existing professional development training programs for teachers. HB 2552 also modifies duties of the State Board of Education (SBE), ADE and school district governing boards with regard to gifted programs, but does not change their operating funding for those functions.

Estimated Impact

The bill has an estimated General Fund cost of \$3,053,000 to \$5,784,700 in FY 2007, depending on participation rates. The \$3,053,000 estimate assumes that 74% of school districts and 16% of charter schools would continue to participate in gifted education under the bill, which would be unchanged from FY 2005. The \$5,784,700 estimate instead assumes that *all* school districts and charter schools would apply for gifted education funding under the bill because of the higher funding levels provided. Actual changes in gifted education participation rates that would occur under the bill, if any, are unknown.

In FY 2008 and each year thereafter, HB 2552 would require funding for gifted support to be adjusted by the GDP price deflator in statute. The total cost of the bill, therefore, would grow annually with inflation. Assuming 2% inflation for FY 2008, the estimated General Fund cost of the bill would be between \$3,114,100 and \$5,900,300.

ADE does not have a cost estimate for this proposal.

Analysis

HB 2552 would provide school districts and charter schools with gifted education funding of \$82 per pupil for up to 7% of their student count or \$4,000, whichever is greater. Under this formula, school districts and charter schools with fewer than 698 students would receive the \$4,000 minimum amount and all others would be funded at the \$82 per pupil rate.

Table 1 shows the estimated cost of the bill in FY 2007 assuming 100% participation by districts and charters. In *Table 1*, 110 school districts and 355 charter schools would receive the \$4,000 minimum amount and 127 school districts and 21 charter schools would receive \$82 per pupil for 7% of their student count. The “\$4,000 minimum” districts and charters would receive \$1,860,000 collectively and remaining sites would receive \$5,212,000 in *Table 1*, for a formula total of \$7,072,000. After taking into account the HB 2552 appropriation of \$80,000 for one hour of training on gifted education programs and \$1,367,400 already in the base budget for the program, the net new General Fund cost would be \$5,784,600 for FY 2007.

Table 2 shows the estimated FY 2007 cost assuming 74% participation by districts and 16% by charters (both rates again unchanged from FY 2005). In *Table 2*, 81 school districts and 57 charter schools would receive the \$4,000 minimum amount and 94 school districts and 3 charter schools would receive \$82 per pupil for 7% of their student count. The “\$4,000 minimum” districts and charters would receive \$552,800 collectively and remaining districts and charters would receive \$3,787,600 collectively in *Table 2*, for a total formula cost of \$4,430,400. After again taking into account the HB 2552 appropriation of \$80,000 for training and \$1,367,400 already in the program’s base budget, the net new General Fund cost would be \$3,053,000 for FY 2007.

Table 1**Estimated FY 2007 Cost of HB 2552**

(assuming 100% participation)

<u>District/Charter Category</u>	<u>#</u>	<u>Student Count</u>	<u>Student Count X 7%</u>	<u>\$4,000 Minimum</u>	<u>\$82/student</u>	<u>Total</u>
School Districts (ADM > 697)	127	887,202	62,104	\$ 0	\$5,092,500	\$5,092,500
School Districts (ADM ≤ 697)	110	23,045	1,613	440,000	0	440,000
Charters Schools (ADM > 697)	21	20,827	1,458	0	119,500	119,500
Charter Schools (ADM ≤ 697)	<u>355</u>	<u>71,065</u>	<u>4,975</u>	<u>1,420,000</u>	<u>0</u>	<u>1,420,000</u>
Subtotal	613	1,002,139	70,150	\$1,860,000	\$5,212,000	\$7,072,000
Training						80,000
Current budget						<u>(1,367,400)</u>
Net Increase						\$5,784,600

Table 2**Estimated FY 2007 Cost of HB 2552**

(assuming 74% of districts and 16% of charters participate)

<u>District/Charter Category</u>	<u>#</u>	<u>Student Count</u>	<u>Student Count X 7%</u>	<u>\$4,000 Minimum</u>	<u>\$82/student</u>	<u>Total</u>
School Districts (ADM > 697)	94	656,529	45,957	\$ 0	\$3,768,500	\$3,768,500
School Districts (ADM ≤ 697)	81	17,053	1,194	325,600	0	325,600
Charters Schools (ADM > 697)	3	3,332	233	0	19,100	19,100
Charter Schools (ADM ≤ 697)	<u>57</u>	<u>11,370</u>	<u>796</u>	<u>227,200</u>	<u>0</u>	<u>227,200</u>
Subtotal	236	688,286	48,180	\$552,800	\$3,787,600	\$4,340,400
Training						80,000
Current budget						<u>(1,367,400)</u>
Net Increase						\$3,053,000

Local Government Impact

The bill would increase local funding to school districts and charter schools by an estimated \$3,053,000 to \$5,784,600 in FY 2007.